

Office of Secretary of State State of Missouri

Case No. AP-09-35

IN THE MATTER OF:

JOLEE M. MARTIN, CRD Number 2452488

Respondent.

Serve Jolee M. Martin at:
3647 Kennett Drive
St. Charles, Missouri 63301

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

The Enforcement Section of the Missouri Securities Division ("Enforcement Section") alleges that Respondent Jolee M. Martin, in connection with the offer, purchase or sale of securities failed to disclose material facts to investors and engaged in dishonest or unethical practices in the securities business, and that these activities constitute a violation of Section 409.5-501, RSMo. (Cum. Supp. 2009), constitute grounds to issue a cease and desist order against Martin and constitute grounds to bar, revoke, suspend, condition or limit Martin's registration in Missouri pursuant to Sections 409.4-412(b), (c), (d)(2), (d)(13), and 409.6-604, RSMo. (Cum. Supp. 2009).

Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the staff of the Enforcement Section relating to the alleged activity by Respondent.

CONSENT TO JURISDICTION

Respondent and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*

Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2009), which provides:

"The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act."

WAIVER AND EXCEPTION

Respondent waives her right to a hearing with respect to this matter.

Respondent waives any right that she may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever

release and hold harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.

CONSENT TO COMMISSIONER'S ORDER

Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.

Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner of Securities is not a party; or (c) right to make public statements that are factual. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.

Respondent neither admits nor denies the allegations made by the Enforcement Section, but consents to the Commissioner's Findings of Fact, Conclusions of Law and Order as set forth below solely for the purposes of this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

1. JoLee M. Martin ("Martin") was a World Financial Group ("World Financial") associate and was a Missouri-registered agent with World Group Securities, Inc. ("World Group"), from October 2003 through June 2008. Martin was a Missouri-registered investment adviser representative with Investment Advisers International, Inc. ("IAI"), from June 2007 through August 2007. At all times relevant to this matter, Martin worked out of World Group's Chesterfield branch. Martin was a Missouri-registered agent with Brookstone Securities, Inc. ("Brookstone"). Martin was registered in Missouri through the Central Registration Depository ("CRD") system and has a CRD number of 2452488. Martin has an address of 3647 Kennett Drive, St. Charles, Missouri 63301.
2. World Group is a Delaware corporation with an address of 11315 Johns Creek Parkway, Duluth, Georgia 30097-1517. World Group has been registered in Missouri through the CRD system as a broker-dealer since January 2002. World Group has a CRD number of 114473. World Group had a branch office in Missouri located at 16690 Swingley Ridge Road Suite 100, Chesterfield, Missouri 63017.
3. During the period that Martin was registered as an agent of World Group, Martin was also associated with a marketing firm, World Financial Group ("World Financial"). Martin has also been a Missouri-licensed insurance agent since May 13, 1994.
4. World Financial is a Delaware corporation with an address of 11315 Johns Creek Parkway, Duluth, Georgia 30097-1517. World Financial is a marketing firm for its affiliated companies, including World Group and IAI. World Financial is not registered as a broker-dealer or an investment adviser in the State of Missouri.

5. Mark Andrew McEwen ("McEwen") was a Missouri-registered agent with World Group Securities, Inc. ("World Group"), a Missouri-registered broker-dealer. McEwen was registered in Missouri through the CRD system and has a CRD number of 4613500. McEwen was registered with World Group in Missouri from March 2003 through September 15, 2008. McEwen has an address of 2403 Charann, Saint Peters, Missouri 63301.
6. As used herein, the term "Respondent" refers to Martin.

Martin Consent Order

7. On November 27, 2006, the Missouri Commissioner of Securities issued a Consent Order, In the matter of JoLee M. Martin, CRD #2452488, Missouri Commissioner of Securities 2006 ("Martin Consent Order"). In the Martin Consent Order the Enforcement Section of the Securities Division alleged that Martin made unsuitable transactions in customers' accounts by recommending that these customers place large amounts of their net worth into illiquid variable annuities that paid large commissions to Martin but were not in the best interest of the customers. The Division alleged that Respondent Martin engaged in dishonest or unethical practices in the securities business. The Martin Consent Order, among other things:
 - a. suspended Martin's Missouri agent registration for four (4) months, commencing August 24, 2006;
 - b. fined Martin twenty-five thousand dollars (\$25,000). Twenty thousand dollars (\$20,000) was suspended provided that Martin complied with the terms of the Martin Consent Order;
 - c. prohibited Martin for a period of five (5) years, from:
 - i. selling variable annuities or **handling**, managing or providing advice related to **any accounts for an individual over the age of 65**; (emphasis added)
 - ii. selling equity-indexed annuities; and
 - iii. serving as a supervisor.
8. On April 22, 2009, The Missouri Department of Insurance, Financial Institutions, and Professional Registration executed a Voluntary Forfeiture Agreement against Martin for failing to disclose the November 27, 2006 Consent Order to the Department. Martin was ordered to forfeit the sum of two hundred and fifty dollars (\$250.00).
9. On October 11, 2008, the investigator obtained new account forms for an Illinois resident ("IR") and several other customers at World Group. The investigator found new account forms for IR and for several Missouri customers that appeared to have been completed by a person other than McEwen.
10. On December 2, 2008, the Enforcement Section sent a subpoena to McEwen to appear on January 2, 2009, for an on-the-record interview ("McEwen OTR").
11. During the McEwen OTR, McEwen stated, among other things, the following:

- a. McEwen took over IR's security accounts at World Group because Martin was suspended;
 - b. McEwen went to IR's home "all the time;" and
 - c. Martin was McEwen's assistant. Until sometime in 2007, all the assistants signed forms for their superiors.
12. On December 2, 2008, the Enforcement Section sent a subpoena to Martin to appear on January 2, 2009, for an on-the-record interview ("Martin OTR").
13. During the Martin OTR, Martin stated, among other things, the following:
 - a. her securities registration with World Group was suspended by the Commissioner of Securities in Missouri in 2006;
 - b. during the period she was suspended, she worked as an assistant for McEwen who was then a Provisional Marketing Director at World Financial and a registered agent of World Group;
 - c. during the period of Martin's suspension McEwen paid Martin's hourly wages;
 - d. after the suspension, as McEwen's assistant, Martin completed new account forms for McEwen's customers and signed McEwen's name on these new account forms;
 - e. Martin filled out and signed McEwen's name to new account forms for IR; and
 - f. Martin filled out and signed McEwen's name to new account forms for other McEwen customers at World Group.
14. Martin violated the Martin Consent Order by, among other things, handling the account of IR, who was over the age of sixty-five (65) years old.
15. Martin violated the securities act by, among other things, failing to disclose this material fact to IR.

CONCLUSIONS OF LAW

16. In connection with the offer, sale or purchase of a security, Respondent omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following. Respondent failed to disclose to IR that Martin was prohibited from handling IR's accounts by the Martin Consent Order.
17. Respondent violated Section 409.5-501(2), RSMo. (Cum. Supp. 2009), when in connection with the offer or sale of a security, she omitted to state material facts to IR as described above.
18. Respondent's actions in omitting to state material facts to IR in connection with the offer or sale of securities constitute illegal acts, practices, or courses of business and such actions are subject to the Commissioner's authority under Section 409.6-604(a),

RSMo. (Cum. Supp. 2009).

19. The Enforcement Section alleges that Respondent engaged in dishonest and unethical practices in the securities business and these practices are subject to the Commissioner's authority under Sections 409.412(b), (c), (d)(2), and (d)(13), RSMo. (Cum. Supp.2009).
20. Barring Respondent Martin's registration in Missouri is necessary or appropriate and in the public interest for, among other things, the following reasons as alleged by the Enforcement Section:
 - a. Martin engaged in dishonest and unethical activities in the securities and/or insurances business;
 - b. these dishonest and unethical business activities took place over a period of time;
 - c. Martin was the subject of a prior Consent Order that alleged that Martin engaged in dishonest and unethical activities in the securities business;
 - d. Martin's registration was previously suspended by the Commissioner;
 - e. these new allegations occurred while Martin was the subject of a Consent Order from the Commissioner of Securities that imposed limitations and conditions on her registration in Missouri; and
 - f. allowing Martin to continue to work as a registered agent would present opportunities for future violations.
21. 21. This Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409, RSMo. (Cum. Supp. 2009).

ORDER

WHEREAS, the Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Securities Division, finds the following Order to be in the public interest, necessary for the protection of public investors and consistent with the provisions of Chapter 409, RSMo. (Cum. Supp. 2009).

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent Martin is hereby **BARRED** from registering as an agent or an investment adviser representative in the State of Missouri;
2. Respondent is ordered to pay a civil penalty in the amount of thirty thousand dollars (\$30,000), with twenty-eight thousand five hundred dollars (\$28,500) suspended provided that Respondent does not violate the Missouri securities act for a period of two years. Payment of one thousand five hundred dollars (\$1,500) shall be payable to the State of Missouri and will be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101 within forty-five (45) days from the date of this Consent Order. The Secretary of State shall forward these funds to the state treasury

for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri;

3. Respondent is ordered to pay two thousand five hundred dollars (\$2,500) as the cost of this investigation. This payment will be suspended provided that Respondent complies with the terms of this order and provided that Respondent does not violate the securities act for a period of two (2) years. The suspended payment shall, for two (2) years from the execution of this document, become immediately payable, under operation of law, upon Respondent's failure to comply with the terms of this Order, and such immediately due payments shall be in addition to all other penalties then available under the law. The Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409-6-604, RSMo. (Cum. Supp. 2009);
4. Respondent is ordered to pay to the Missouri Secretary of State's Investor Education and Protection Fund the sum of fifteen thousand dollars (\$15,000); this payment will be suspended provided that Respondent complies with the terms of this Order and provided that Respondent does not violate the securities act for a period of two (2) years. The suspended payment shall, for two (2) years from the execution of this document, become immediately payable, under operation of law, upon Respondent's failure to comply with the terms of this Order, and such immediately due payments shall be in addition to all other penalties then available under the law. The Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409-6-604, RSMo. (Cum. Supp. 2009); and
5. Respondent shall pay her own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 11TH DAY OF FEBRUARY, 2010.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION

Mary S. Hosmer

Assistant Commissioner of Securities

Jolee Martin